

HOW I FORECAST STOCK, COTTON, AND GRAIN MARKETS

**by W. D. Gann
(promotional brochure)**

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Many people want to know what method I use to determine future indications on the markets. I keep charts of the various active stocks and also a set of averages. My charts are different from the charts kept by the average statistician because they are based on a discovery of my own. I have discovered a "time" factor that enables me to determine important tops and bottoms one year or more in advance. My Annual Forecasts on stocks, issued in December for ten years past, have proved remarkably correct.

I also keep special Time and Volume charts on stocks. My Volume charts enable me to tell when accumulation or distribution in stocks is taking place. By the "time" factor I determine in advance tops and bottoms of minor swings. I study each stock separately, as in all Bull markets some stocks are in a bearish position, while in Bear markets some few stocks are in a bullish position. To be correct one must study individual stocks, not averages. I also study each group of stocks separately, such as, Motors, Oils, Steels, Rails, and Coppers, as different groups are leaders in Bull or Bear cycles under different conditions. I determine the leading group by applying the "time" factor and study of Volume.

I am considered an expert tape reader and watch the ticker daily for indications of quick changes. The "Ticker Magazine" in 1909 said: "He is a gifted mathematician, has an extraordinary memory for figures, and is an expert Tape Reader. Take away his science and he would beat the market on his intuitive tape reading alone."

The Cotton and Grain markets can also be forecasted by this "time" factor, which enables me to tell when extreme highs and lows will be made, as well as the minor moves. I keep Time charts on commodities as no Volume of sales is published. After all the important thing for every trader to know is the day approximate high and low prices will be made. The price makes little difference so long as you know about when bottom or top prices will be reached.

ANSWERS TO INQUIRIES

Hundreds of people write in from time to time asking for different kinds of information. In order to avoid having to answer a lot of unnecessary correspondence, we are answering frequent inquiries below.

MAGAZINES

Many people write and ask what magazines we consider best for an investor or a trader to read. We consider the *Magazine of Wall Street* one of the best magazines for information pertaining to the stock market. *B. C. Forbes' Magazine* is also good. It contains many valuable articles on financial affairs. The *Annalist* published weekly by the *New York Times* specializes on financial affairs and contains information valuable to traders and investors.

NEWSPAPERS

Investors and traders often want to know what newspapers we consider best for them to read.

The Wall Street Journal.—This is the best financial newspaper published. It specializes in presenting all facts and information pertaining to corporations throughout the country, as well as major foreign corporations. Pertinent national news, especially agricultural and political, is equally stressed. This was one of the first papers to publish a set of Averages on railroad and industrial stocks. These Averages go back to 1896. Since 1914, it has published an average of bond prices, and since 1928, a public utility stock average. All of these averages are published daily and are very valuable to investors and traders who want to keep up charts on these various groups. Another feature of the *Wall Street Journal* is that it publishes each day a list of stocks which make a new high for the year and a list that make a new low for the year. The *Wall Street Journal* does not publish any tips, rumors or misleading information. It publishes only reliable facts which are helpful to investors and traders. From time to time the *Wall Street Journal* publishes various charts on stocks, which are very helpful

you should get a private report through your banker or some commercial agency, before placing your account with them. You might be trading with a bucket shop and not know it.

WHERE TO OBTAIN PRICES

Frequent inquiries come in as to where traders can obtain high and low prices on different stocks and commodities. The *Financial Chronicle* and *Standard Statistics* give records of high and low prices and people interested can write these publications and obtain prices which they want.

For commodities.—*Cotton Facts*, published in New York City, specializes in statistical information on cotton. Records on high and low prices on grain can be secured from the Chicago Board of Trade or from brokers who are Members of the Chicago Board of Trade. The same with sugar, coffee, cocoa, rubber, silk, and other commodities. The brokers who are members of these various Exchanges are always glad to furnish records of past high and low prices and other statistical information to people who are interested and there is usually no charge by the broker for this kind of service.

ODD LOT TRADES IN STOCKS AND JOB LOTS IN GRAIN

Traders often inquire whether they can buy and sell odd lots of stocks. Most of the brokers who are Members of the New York Stock Exchange, accept orders for odd lots. Most all of them will buy stocks outright or for cash in any amount from one share on up. Job lots or 1000 bushels of grain are traded in on the Chicago Board of Trade. Some of the brokers handle job lots and some do not. You can inquire from any broker who is a Member of the Chicago Board of Trade and find out about trading in job lots or less than 5000 bushels, which is a round lot or a contract. The Chicago Board of Trade and New Orleans Cotton Exchange trade in 50 bales of cotton. No other reliable exchange will trade in less than 50-bale lots of cotton. Those that are trading in or soliciting business for odd lots of cotton in 10 bales or more, are as a rule bucket shops. Traders should be careful about placing their accounts with firms of this kind.

to traders and would cost them a lot of money if they had to secure the records and make up the charts themselves.

New York Daily Investment News.—This paper is specially good for active traders. It specializes in up-to-the-minute news on stocks and bonds, and publishes charts from time to time which are interesting and valuable to investors and traders.

The New York Evening Post.—This is also a good financial paper and contains many valuable special articles from time to time.

The New York Herald Tribune.—This paper carries averages on various groups of stocks as well as other information which is helpful to traders.

The New York Times.—This also has a special set of averages and is a good paper for investors and traders to read.

What investors and traders want is the facts about the different companies and reports and not tips or rumors. The above papers, all of which are published in New York City, strive to give facts and reliable information.

COMMODITIES

Traders who are interested in the different commodity markets often inquire what is the best paper to read on commodities.

The *Journal of Commerce* of New York City makes a specialty of commodities and covers everything in the field. *Commerce and Finance* of New York City, is another very valuable publication, which specializes in cotton, but covers other commodities and has interesting articles from time to time on stocks and other general financial affairs.

BROKERS

People write and ask if we consider such and such a firm of brokers reliable. We consider all members of the New York Stock Exchange, the New York Cotton Exchange, and the Chicago Board of Trade reliable, and advise traders to always keep their accounts with members of these responsible Exchanges. If in doubt about your broker, get a report through Bradstreet, R. G. Dun, or Bishop Service. For brokers not members of one of the leading Exchanges,